

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 531 (First Edition)
SHORT TITLE: Increase/Modify Goldsboro Occupancy Tax.
SPONSOR(S): Representatives J. Bell, Dixon, and L. Bell

FISCAL IMPACT table with columns for years FY 2015-16 to FY 2019-20 and rows for State Impact, General Fund Revenues, City of Goldsboro Revenues, General Fund Expenditures, State Positions, and NET STATE IMPACT. Includes text for PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED, EFFECTIVE DATE, and TECHNICAL CONSIDERATIONS.

BILL SUMMARY:

House Bill 531 would authorize the City of Goldsboro to levy an additional 1% room occupancy tax. The bill would modify the overall use of the tax proceeds by requiring that, for a period of 20 years, at least one-third of the proceeds would be used for tourism promotion and the remainder be used for tourism-related expenditures. After 20 years, the formula would reverse.

ASSUMPTIONS AND METHODOLOGY:

The City of Goldsboro currently levies a 5% room occupancy tax. House Bill 531 would authorize the city to levy an additional 1% room occupancy tax. Using collection data from the last three available fiscal years, FY2010-11 through FY 2012-13, the City of Goldsboro averages approximately \$120,000 per 1% of room occupancy tax. Using the Leisure and Hospitality portion of the North Carolina Gross State Product, that amount is grown to \$132,352 for FY2015-16.

SOURCES OF DATA: North Carolina Department of Revenue; Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

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